



30 Hunter Lane  
Harrisburg, PA 17011  
(717)-761-2633

July 22, 2004

RE: Docket No. OP-1196 Disclosure of Debit Card Fees

Jennifer J. Johnson  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington, DC 20551

Dear Ms Johnson:

Please allow this letter to serve as Rite Aid Corporation's ("Rite Aid") response to the Notice of Study and Request for Information and Public Comments on whether the existing disclosures required by the Electronic Fund Transfers Act (EFTA) adequately inform consumers of fees imposed by an account holding institution when a debit card is used to make a purchase at the Point of Sale ("POS").

Rite Aid is one of the nation's leading drugstore chains with annual revenues of more than \$16.6 billion. Rite Aid is a merchant that accepts both PIN and Signature based debit transactions at its POS and we would like to comment on the proposal that merchants disclose the additional fees that financial institutions charge their own customers on PIN based debit transactions.

Rite Aid's position is that it must not be the merchant's responsibility to disclose to its customers additional fees that the customer's own financial institution may charge him/her for certain PIN based debit transactions. This is not a fee charged by the merchant. It is not a fee over which the merchant maintains any control. These fees apparently are governed through an agreement that was reached between the consumer and their financial institution. As we have no control over fees a financial institution charges its customers and these fees are not part of the transaction that occurred at the merchant's Point of Sale it must not and can not be the merchant's responsibility to notify the customer of the financial institution of the myriad of fees the financial institution may charge him/her.

Also, if this requirement was enacted it would pose a significant financial burden on Rite Aid to attempt to re-program our POS to satisfy this requirement. Furthermore, this proposed requirement very likely would confuse our customers into thinking that the extra fees charged by the financial institution are being added on by Rite Aid. As it is hard enough in the current environment to be competitive, showing an additional cost not attributable to Rite Aid on our receipt would likely damage customer relations.

Rite Aid believes that no further disclosure of financial institution fees is required by a merchant at the POS transaction point. It must continue to be the responsibility of the financial institutions to disclose to the consumer any fees they may assess to them, as well as the responsibility of the consumer to review and understand the disclosures that are provided to them during their banking relationship.

Thank you for the opportunity to comment. If you have any questions regarding our comment letter please feel free to contact us.

Regards,

Leonard A Ebel  
Director Revenue Accounting  
Rite Aid Corporation